

# Strategic Planning and Performance Measurement

## Glossary of Terms

### Term/Definition

**State Department or Agency:** An executive department, executive agency, independent agency, organization, corporation or association that receives a direct appropriation or allocation from the State.

**Strategic Plan:** A long range, policy oriented document that maps an explicit path between the present and a vision for the future. A strategic plan is derived from an assessment, goal-setting and decision-making process that relies on careful consideration of a department or agency's capabilities and environment. A strategic plan identifies a state department or agency's statutorily defined mission, goals, measurable objectives and strategies and leads to priority-based resource allocations and other decisions.

**Performance Budgeting:** The method for developing and finalizing a department or agency's request for appropriations or allocations derived from its strategic plan and consistent with a department or agency's statutory responsibilities. Performance budgeting allocates resources based on the achievement of measurable objectives, which in turn are related to the department or agency's mission and goals.

**Program:** A grouping of activities and expected results that are directed toward the accomplishment of a set of goals and objectives consistent with statutorily defined missions and represents a department, bureau, division or operational entity to which the Legislature appropriates or allocates resources as defined by the Legislature.

**Department or Agency Goals:** General ends toward which a department or agency directs its

efforts based on issues that have been identified as priorities. They are broad statements of department or agency policy, as derived from the statutorily defined mission, that are ambitious and provide a direction toward which the department or agency intends to head.

**Measurable Objective:** A specific quantifiable outcome that defines the actual impact on the public being served rather than the level of effort expended by the department or agency. The use of a measurable objective is a tool to assess the effectiveness of a department or agency's performance and the public benefit derived. Measurable objectives quantify an agency's long-term outcomes.

**Program Strategy:** The methods to achieve department or agency goals and objectives. A strategy may be employed by a department or agency bureau, division, program or organizational entity having identifiable management responsibility and measures of accountability approved by the Legislature. It corresponds with the program to which the Legislature appropriates/allocates funds.

**Performance Measure:** Quantifiable indicators of progress towards the agency's goals and objectives. Each program strategy has 3 - 6 performance measures that document a program's interim outcomes, outputs, efficiencies and service levels. Each performance measure contains a baseline of the current level of performance and a target level of performance to be achieved in each year of the biennium.

# THE STRATEGIC PLANNING FRAMEWORK

**Performance measures need to be tightly aligned to a strategic framework  
– a framework that lays out an agency’s purpose, goals, and the specific  
outcomes it is charged with accomplishing.**

	Strategic Plan Elements	Definitions	Examples
<b><i>What is our public purpose?</i></b>	Statutes/Enabling Legislation	Legislated public purpose, legislated activities	DHHS
	Mission	A statement of the agency’s purpose: what does it do, why, and for whom?	To provide social services, income maintenance, public health and medical services to Maine families so that they achieve their optimum independence, health and safety.
	Goals	Outcome-based policy statements of future ends desired by the agency	To ensure the safety and well being of Maine’s children and families.
	Objective	Specific, measurable outcomes to track whether the agency is making progress towards its goals	Increase the percent of Maine children who are protected from abuse and neglect.
<b><i>How are we going to accomplish it?</i></b>	Program Strategy	Methods for achieving the objectives	0307 Foster Care: Provide supports and services for children in the Department’s care or custody while permanent placements are being made.
<b><i>How do we know if we’re successful?</i></b>	Performance Measures	Quantifiable indicators of effectiveness and efficiency	<ul style="list-style-type: none"> <li>• percent of foster care children who remain in the department’s care for 36 months or less</li> <li>• percent of families where intervention has occurred which require no further intervention</li> <li>• % of family safety assessments completed within 24 hours</li> <li>• percent of children in family foster care settings as opposed to residential or treatment facilities</li> <li>• percent of foster homes licensed in compliance with state standards</li> </ul>

# TYPES OF PERFORMANCE MEASURES

**Performance measures can be categorized into specific types.  
Each type of measure provides information about some aspect of the program or service.**

**Input measure:** A measurement of the financial and non-financial resources that are applied when providing services.

- the amount spent on recycling collection;
- the amount of work time expended on recycling collection

**Output measure:** A measurement of the activities or work performed by a government unit. It also measures the quantity of services provided that meet a certain quality standard (sometimes referred to as *Output Quality*). Outputs are typically under the control of government managers.

- tons of recyclables collected
- percentage of curbside recycling containers picked up on time

**Efficiency Measure:** A measurement of the resources used per unit of output. A subset of efficiency measures is a *Productivity Measure*, which is a measurement of the staff resources used per unit of output.

- cost of recyclable collection per ton
- cost of recyclable collection per household
- tons of recyclables collected per full-time collection worker

**Service Measure:** A measurement of the customer satisfaction with the outputs or an assessment of the quality of the service/program by its users (*Service Quality*).

- residents' satisfaction with recycling collection service
- percent of residents who indicate that the recycling collection service is convenient

**Outcome measure:** A measurement of the results that occur, at least in part, because of government services provided. This may include initial, intermediate, or long-term outcomes. Outcomes are frequently not fully controlled by government managers.

- percent reduction in waste being landfilled
- percent reduction in mercury air emissions from waste incineration
- percent reduction in mercury contamination of lakes and streams

**Cost Effectiveness Measure:** A measurement of the resources used per unit of outcome.

- landfill cost avoided per ton
- cost per percent point reduction in mercury air emissions

**Explanatory Measure:** A measurement of factors related to the service being provided that may affect the reported performance.

- tons of waste imported from other jurisdictions
- average per-ton market price for recyclables

## **Range of Outcomes One Example for an International Trade Office**

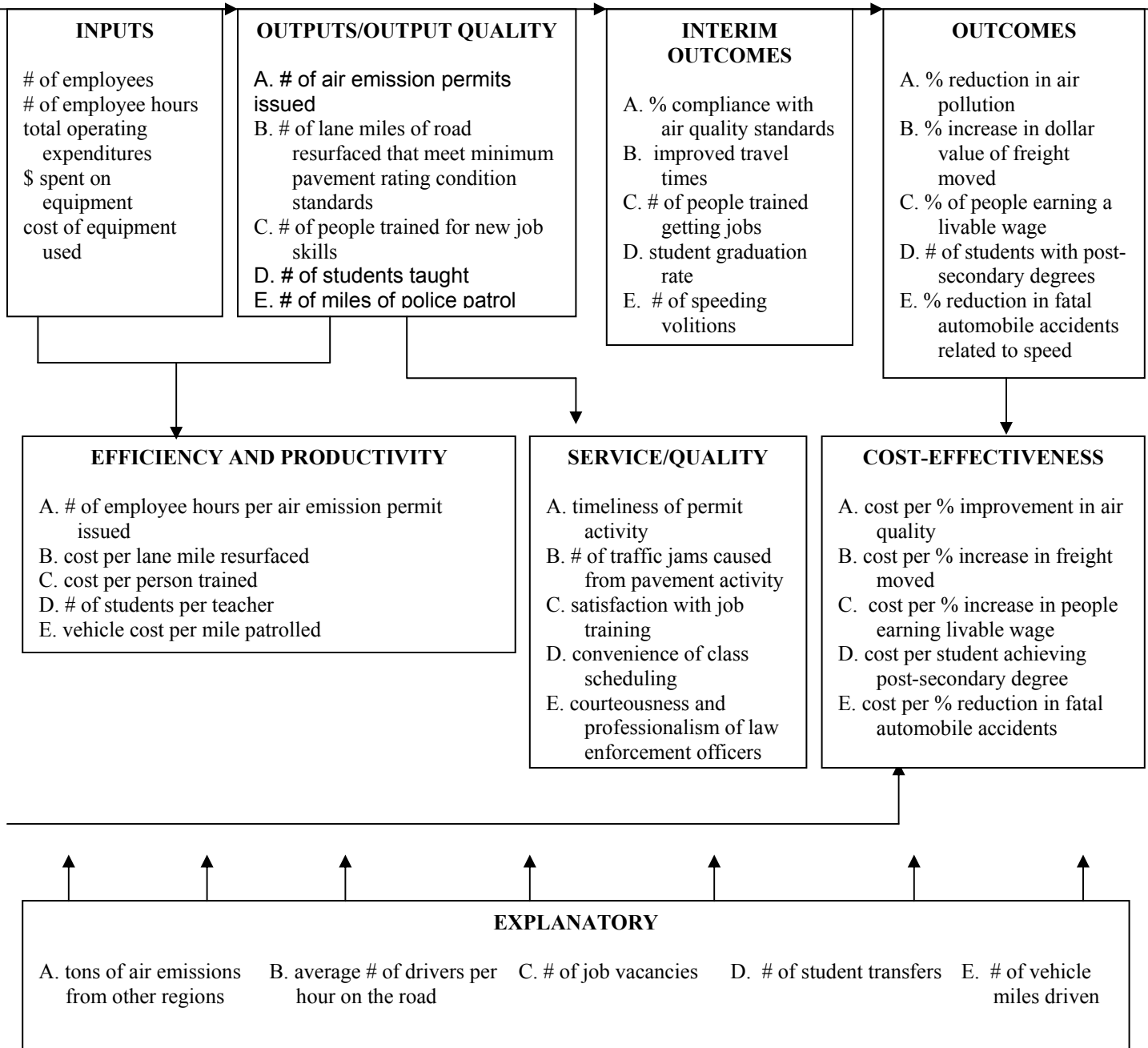
Initial Outcome— number of firms deciding to export products

Intermediate Outcome— number of firms delivering a product to a foreign market

Long-term Outcome—number of firms adding new, export-related jobs

# SEQUENCE OF PERFORMANCE MEASURES

**Performance measures generally track the sequence of an agency's action: from what it invests to what it produces to the results it achieves. For budget and policy discussions, agencies should focus on output, efficiency, and outcome measures.**



Source: Adapted from *Performance Measurement: Getting Results*. Author Harry Hatry. The Urban Institute Press: Washington, D.C., 1999, p. 24

Performance measures provide information to decision-makers to hold public agencies accountable for results, to enhance decision-making, and to improve service delivery.

## WHAT PERFORMANCE MEASURES TELL US

- ✓ *Are we achieving our public purpose as defined by our goals and objectives?*
- ✓ *What policy issues do we face?*
- ✓ *What are our priorities?*
- ✓ *How efficient and effective are we?*
- ✓ *What performance improvements are needed?*

## WHAT PERFORMANCE MEASURES DO NOT TELL US

- ✓ *Why is performance at the level it is?*
- ✓ *What factors impact performance?*
- ✓ *How can performance be improved?*
- ✓ *What level of performance can we afford?*

## QUESTIONS FOR POLICY-MAKERS

- ✓ *Are the performance measures consistent with statutory direction?*
- ✓ *Are the priorities reflected by the performance measures appropriate?*
- ✓ *What is an acceptable level of performance?*
- ✓ *Is a shift/change in policy or resources warranted?*

